



## State of Utah

### Department of Natural Resources

ROBERT L. MORGAN  
*Executive Director*

### Division of Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

June 11, 2004

Mr. David Penney  
Penney's Gemstones  
2400 East 30 South  
Box 312  
Beaver, Utah 84713

Subject: Deficient Notice of Intention to Commence Large Mining Operations,  
Penney's Gemstones, Sliver 3-4 Mine, M/001/057, Beaver County, Utah

Dear Mr. Penney:

On April 1, 2004, we received (via facsimile) your notice to conduct Large Mining Operations (LMO). The LMO was received as a result of a September 29, 2003, potential noncompliance and division directive letter to you, wherein it was determined that you had exceeded the limitation of a small mine notice. As part of that potential noncompliance letter, we requested that you schedule a meeting with the Division to discuss the requirements of the LMO by March 15, 2004. You requested and we granted a subsequent time extension that resulted in our receipt of your LMO application in early April.

In a subsequent letter received May 3, 2004, you requested that we supply you with our technical review comments before scheduling a meeting to discuss your application. We have performed a preliminary review of your application and have found it does not provide the basic permitting information necessary for us to complete a thorough technical evaluation. The following is an example of the type of information that must be provided before we can continue processing your application:

#### *Basic permit application deficiencies:*

1. The maps are not current, or detailed enough to determine the earth moving costs associated with reclamation. Cross-sections of the current quarry disturbance and future mine development planned for the next five years, *not 100 years as shown*, are required.
2. Site specific soils and vegetation data is also lacking. No site-specific sampling or baseline data has been collected. We request that collection and sampling methodologies also be outlined. Topsoil has been buried and, therefore, cannot be considered useable for future site reclamation. It is appropriate to define substitute topsoil materials and amendments that might

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be needed. It may be necessary to find other sources of soil. The quality of soil to be used in reclamation needs to be determined.

3. Natural drainages above the site are blocked by waste material and this is not accounted for in the mining and reclamation plan for the site. The mine plan and reclamation plan needs to account for protection of these drainages by providing a conveyance channel similar in size and cross section to the upstream channel. It is not appropriate to let undisturbed drainage flow over regraded areas without some erosional protection.

We are concerned with the minimal amount of information provided in preparing this large mine permit application. In an effort to assist you in assembling a complete mining and reclamation plan, we have selected and enclosed two other examples of similar large mine permit applications that have been approved by the Division. These samples reflect the basic informational requirements and technical specifications we would expect to be included in your large mine permit application.

Because the submittal lacks sufficient technical detail and is contradictory in its own explanations, we cannot provide meaningful feedback. We suggest that you closely evaluate the enclosed mine plan examples and then arrange to meet with the Division within the next 30 days to discuss how you can modify your plan, or enlist the assistance of a professional who can help you complete the mine permitting process. If you wish to schedule a meeting, please call Joelle Burns at (801) 538-5291 or Tom Munson at (801) 538-5321 to arrange a date and time that is acceptable to all concerned parties.

As a reminder, you were informed in a letter dated February 9, 2004, **that you are not to expand beyond the footprint of the already disturbed area**, until the LMO is submitted and approved for the Sliver 3-4 Mine.

Sincerely,



D. Wayne Hedberg, Permit Supervisor  
Minerals Regulatory Program  
Utah Division of Oil, Gas and Mining

DWH:TM:jb

Enclosures: Two samples of mine plans

cc: Ed Ginouves, BLM – Cedar City Office

Mary Ann Wright, OGM

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